

Calendar No. 327

105TH CONGRESS
2^D SESSION

S. 1769

[Report No. 105–169]

Making supplemental appropriations for the International Monetary Fund
for the fiscal year ending September 30, 1998, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 17, 1998

Mr. STEVENS, from the Committee on Appropriations, reported the following
original bill, which was read twice and placed on the calendar

A BILL

Making supplemental appropriations for the International
Monetary Fund for the fiscal year ending September
30, 1998, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any
4 money in the Treasury not otherwise appropriated, for the
5 International Monetary Fund for the fiscal year ending
6 September 30, 1998, and for other purposes, namely:

1 MULTILATERAL ECONOMIC ASSISTANCE

2 FUNDS APPROPRIATED TO THE PRESIDENT

3 LOANS TO INTERNATIONAL MONETARY FUND

4 NEW ARRANGEMENTS TO BORROW

5 For loans to the International Monetary Fund
6 (Fund) under the New Arrangements to Borrow, the dol-
7 lar equivalent of 2,462,000,000 Special Drawing Rights,
8 to remain available until expended; in addition, up to the
9 dollar equivalent of 4,250,000,000 Special Drawing
10 Rights previously appropriated by the Act of November
11 30, 1983 (Public Law 98–181), and the Act of October
12 23, 1962 (Public Law 87–872), for the General Arrange-
13 ments to Borrow, may also be used for the New Arrange-
14 ments to Borrow.

15 UNITED STATES QUOTA

16 For an increase in the United States quota in the
17 International Monetary Fund, the dollar equivalent of
18 10,622,500,000 Special Drawing Rights, to remain avail-
19 able until expended.

20 GENERAL PROVISIONS

21 SECTION 101. CONDITIONS FOR THE USE OF QUOTA

22 RESOURCES.—(a) None of the funds appropriated in this
23 Act under the heading “United States Quota, Inter-
24 national Monetary Fund” may be obligated, transferred
25 or made available to the International Monetary Fund
26 until 30 days after the Secretary of the Treasury certifies

1 that the Board of Executive Directors of the Fund have
2 agreed by resolution that stand-by agreements or other ar-
3 rangements regarding the use of Fund resources shall in-
4 clude provisions requiring the borrower—

5 (1) to comply with the terms of all international
6 trade obligations and agreements of which the bor-
7 rower is a signatory;

8 (2) to eliminate the practice or policy of govern-
9 ment directed lending or provision of subsidies to fa-
10 vored industries, enterprises, parties, or institutions;
11 and

12 (3) to guarantee non-discriminatory treatment
13 in debt resolution proceedings between domestic and
14 foreign creditors, and for debtors and other con-
15 cerned persons.

16 (b) Subsequent to the certification provided in sub-
17 section (a), in conjunction with the annual submission of
18 the President's budget, the Secretary of the Treasury shall
19 report to the appropriate committees on the implementa-
20 tion and enforcement of the provisions in subsection (a).

21 SEC. 102. TRANSPARENCY AND OVERSIGHT.—(a)
22 Not later than 30 days after enactment of this Act, the
23 Secretary of the Treasury shall certify to the appropriate
24 committees that the Board of Executive Directors of the
25 International Monetary Fund Board has agreed to provide

1 timely access by the Comptroller General to information
2 and documents relating to the Fund's operations, program
3 and policy reviews and decisions regarding stand-by agree-
4 ments and other uses of the Fund's resources.

5 (b) The Secretary of the Treasury shall direct, and
6 the U.S. Executive Director to the International Monetary
7 Fund shall agree to—

8 (1) provide any documents or information avail-
9 able to the Director that are requested by the Comp-
10 troller General;

11 (2) request from the Fund any documents or
12 material requested by the Comptroller General; and

13 (3) use all necessary means to ensure all pos-
14 sible access by the Comptroller General to the staff
15 and operations of the Fund for the purposes of con-
16 ducting financial and program audits.

17 (c) The Secretary of the Treasury, in consultation
18 with the Comptroller General and the U.S. Executive Di-
19 rector of the Fund, shall develop and implement a plan
20 to obtain timely public access to information and docu-
21 ments relating to the Fund's operations, programs and
22 policy reviews and decisions regarding stand-by agree-
23 ments and other uses of the Fund's resources.

24 (d) No later than July 1, 1998 and, not later than
25 March 1 of each year thereafter, the Secretary of the

1 Treasury shall submit a report to the appropriate commit-
2 tees on the status of timely publication of Letters of Intent
3 and Article IV consultation documents and the availability
4 of information referred to in (c).

5 SEC. 103. ADVISORY COMMISSION.—(a) The Presi-
6 dent shall establish an International Financial Institution
7 Advisory Commission (hereafter “Commission”).

8 (b) The Commission shall include at least five former
9 United States Secretaries of the Treasury.

10 (c) Within 180 days, the Commission shall report to
11 the appropriate committees on the future role and respon-
12 sibilities, if any, of the International Monetary Fund and
13 the merit, costs and related implications of consolidation
14 of the organization, management, and activities of the
15 International Monetary Fund, the International Bank for
16 Reconstruction and Development and the World Trade
17 Organization.

18 SEC. 104. BRETTON WOODS CONFERENCE.—Not
19 later than 180 days after the Commission reports to the
20 appropriate committees, the President shall call for a con-
21 ference of representatives of the governments of the mem-
22 ber countries of the International Monetary Fund, the
23 International Bank for Reconstruction and Development
24 and the World Trade Organization to consider the struc-
25 ture, management and activities of the institutions, their

1 possible merger and their capacity to contribute to ex-
2 change rate stability and economic growth and to respond
3 effectively to financial crises.

4 SEC. 105. REPORTS.—(a) Following the extension of
5 a stand-by agreement or other uses of the resources by
6 the International Monetary Fund, the Secretary of the
7 Treasury, in consultation with the U.S. Executive Director
8 of the Fund, shall submit a report to the appropriate com-
9 mittees providing the following information—

10 (1) the borrower's rules and regulations dealing
11 with capitalization ratios, reserves, deposit insurance
12 system and initiatives to improve transparency of in-
13 formation on the financial institutions and banks
14 which may benefit from the use of the Fund's re-
15 sources;

16 (2) the burden shared by private sector inves-
17 tors and creditors, including commercial banks in
18 the Group of Seven Nations, in the losses which
19 have prompted the use of the Fund's resources;

20 (3) the Fund's strategy, plan and timetable for
21 completing the borrower's pay back of the Fund's
22 resources including a date by which the borrower
23 will be free from all international institutional debt
24 obligation; and

1 (4) the status of efforts to upgrade the borrow-
2 er's national standards to meet the Basle Commit-
3 tee's Core Principles for Effective Banking Super-
4 vision.

5 (b) Following the extension of a stand-by agreement
6 or other use of the Fund's resources, the Secretary of the
7 Treasury shall report to the appropriate committees in
8 conjunction with the annual submission of the President's
9 budget, an account of the direct and indirect institutional
10 recipients of such resources: *Provided*, That this account
11 shall include the institutions or banks indirectly supported
12 by the Fund through resources made available by the bor-
13 rower's Central Bank.

14 (c) Not later than 30 days after the enactment of
15 this Act, the Secretary shall submit a report to the appro-
16 priate committees of Congress providing the information
17 requested in paragraphs (a) and (b) for the countries of
18 South Korea, Indonesia, Thailand and the Philippines.

19 SEC. 106. CERTIFICATIONS.—(a) The Secretary of
20 the Treasury shall certify to the appropriate committees
21 that the following conditions have been met—

22 (1) No International Monetary Fund resources
23 have resulted, directly or indirectly, in support of the
24 Korean semiconductor, steel, automobile, or textile
25 and apparel industries in any form;

1 (2) Neither the Korean government, nor the
2 Fund has guaranteed or underwritten the private
3 loans of Korean semiconductor, steel, automobile, or
4 textile and apparel manufacturers; and

5 (3) Officials from the Fund and the Depart-
6 ment of the Treasury have monitored the implemen-
7 tation of the Corporate Governance provisions con-
8 tained in Republic of Korea's stabilization program
9 of December 4, 1997, and all of the conditions have
10 either been met, or the Korean government has com-
11 mitted itself to fulfill all of these conditions accord-
12 ing to an explicit timetable for completion; which
13 timetable has been provided to and approved by the
14 Fund and the Department of the Treasury.

15 (b) Such certifications shall be made 14 days prior
16 to the disbursement of any Fund resources to the bor-
17 rower.

18 (c) The Secretary of the Treasury shall instruct the
19 United States Executive Director of the International
20 Monetary Fund to use the voice and vote of the Executive
21 Director to oppose disbursement of further funds if such
22 certification is not given.

23 (d) Such certifications shall continue to be made on
24 an annual basis as long as Fund contributions continue
25 to be outstanding to the borrower country.

1 SEC. 107. DEFINITIONS.—For the purposes of this
2 Act, “appropriate committees” includes the Appropria-
3 tions Committee, the Committee on Foreign Relations and
4 the Committee on Banking, Housing and Urban Affairs
5 of the Senate and the Committee on Appropriations and
6 the Committee on Banking and Financial Services in the
7 House of Representatives.

8 This Act may be cited as the “1998 Supplemental
9 Appropriations Act for the International Monetary Fund”.

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